

	Case No / Date	2016-24-M1	09/06/17
	Petitioner	ExxonMobil Production Company	
	Permit #	Part 70/PTO 5651	
	Date Rec'd	07/27/17	
	Time Rec'd	12:17	
FOR OFFICIAL USE ONLY			

**BEFORE THE HEARING BOARD
OF THE SANTA BARBARA COUNTY
AIR POLLUTION CONTROL DISTRICT**

In The Matter of the Application of)
ExxonMobil Production Company for a)
Regular Variance from District Rules 311,)
325, 325.D.1(b), 325.E.1(b), 325.F.4(b),)
328, 328.F.2, 328.G.3, 331, 331.F,)
342.I.1, 359, 359.F.2, 359.G.1, 359.H.2,)
359.H.3, and 206, Conditions 9.B.12,)
9.C.1(b)(xi), 9.C.1(c), 9.C.1(c)(i),)
9.C.1(c)(ii), 9.C.1(d), 9.C.2(c)(iii),)
9.C.2(c)(iv), 9.C.2(c)(v), 9.C.2(d),)
9.C.2(d)(i), 9.C.2(d)(ii), 9.C.2(d)(iii),)
9.C.3(b)(i), 9.C.3(c)(i), 9.C.3(c)(ii),)
9.C.3(c)(iii), 9.C.5(b)(iv), 9.C.5(b)(v),)
9.C.5(c), 9.C.6(b), 9.C.6(b)(i),)
9.C.6(c)(iii), 9.C.6(c)(iv), 9.C.6(c)(vi),)
9.C.6(c)(vii), 9.C.6(c)(viii), 9.C.6(d)(vi),)
9.C.6(d)(vii), 9.C.6(d)(viii), 9.C.8(a)(i),)
9.C.8(c), 9.C.8(c)(i), 9.C.8(c)(ii),)
9.C.8(c)(iii), 9.C.8(d), 9.C.8(d)(i),)
9.C.8(d)(ii), 9.C.8(d)(iii), 9.C.8(d)(iv),)
9.C.8(d)(v), 9.C.10(a), 9.C.10(b),)
9.C.10(d), 9.C.10(e), 9.C.10(h), 9.C.10(j),)
9.C.10(k), 9.C.10(m)(iii), 9.C.10(m)(v),)
9.C.10(m)(vi), 9.C.10(m)(xi),)
9.C.10(m)(xii), 9.C.13(a), 9.C.13(b),)
9.C.13(c), 9.C.13(c)(i), 9.C.13(c)(ii),)
9.C.14, 9.C.15, 9.C.15(a), 9.C.16, 9.C.17,)
9.C.21, 9.C.25(a), 9.C.36(c), 9.C.36(i),)
9.C.36(l) 9.C.36(o), and 9.C.43(b) of Part)
70/Permit to Operate 5651.

***** DRAFT *****

H.B. Case No. 2016-24-M1

VARIANCE FINDINGS

AND ORDER

On July 27, 2017, ExxonMobil Production Company filed a Petition for a Regular Variance, requesting a Modification of Variance and Modification of Final Compliance Date for Regular Variances 2016-24-R, 2016-30-R, 2016-43-R, and 2017-01-R. The Regular Variance was heard on September 06, 2017 in accordance with Health and Safety Code §40808 with Patrice Surmeier appearing for the Petitioner and Mike McKay appearing for the Santa Barbara County Air Pollution Control District.

This matter having been fully presented and duly considered, the Hearing Board makes the following findings and gives the following reasons for its decision.

1. Notice of the Hearing was duly given in the manner and for the time required by law.
2. Sworn testimony and argument on behalf of the Petitioner and the Air Pollution Control Officer were made, received and considered.
3. The Petitioner operates the equipment described in the Petition at Las Flores Canyon (LFC), located at 12000 Calle Real, Goleta, CA, approximately 25 miles northwest of the City of Santa Barbara, CA.
4. As a result of the Plains All American Pipeline Line 901 failure on May 19, 2015, ExxonMobil Production Company has shut down operations and facility equipment has been preserved to manage its integrity. This Variance provides continued relief from the requirements associated with monitoring, recordkeeping, and calibrating activities the Petitioner is currently receiving under Regular Variance Orders 2016-24-R, which provides relief from the below conditions through September 29, 2017 (or the date the facility resumes platform gas processing, whichever occurs first), 2016-30-R, which provides relief from the below conditions through November 01, 2017 (or the date the facility resumes platform gas processing, whichever occurs first), 2016-43-R, which provides relief from the below conditions through January 03, 2018 (or the date the facility resumes processing platform gas, whichever occurs first), and 2017-01-R, which provides relief from the below conditions through January 31, 2019 (or the date the facility resumes processing platform gas, whichever occurs first).
5. At this time, it is unclear when the restart of the Petitioner's facility may occur. Per Health and Safety Code §42357, the Petitioner is requesting a Modification of Final Compliance Date for Variances 2016-24-R, 2016-30-R, 2016-43-R, and 2017-01-R to extend coverage through September 29, 2019, or the date the facility resumes platform gas processing, whichever occurs first. Per Health and Safety Code §42356, the Petitioner is also requesting Regular Variances 2016-24-R, 2016-30-R, 2016-43-R, and 2017-01-R be incorporated into a single variance, effectively terminating 2016-24-R, 2016-30-R, 2016-43-R, and 2017-01-R. There are no expected emissions related to the granting of the Petitioner's request.

6. A nuisance as defined in District Rule 303 is not expected to occur as a result of this variance and continued operation is not likely to create an immediate threat or hazard to public health or safety.
7. Pursuant to Health and Safety Code §42357, it is found that “good cause” exists for the granting of Petitioner’s request for a Modification of Variance and Modification of the Final Compliance Date set forth in 2016-24-R, 2016-30-R, 2016-43-R, and 2017-01-R.
8. The District staff supports the Petition as conditioned below.

THEREFORE, THE HEARING BOARD ORDERS, as follows:

That a Regular Variance be granted for the continued operation of the Las Flores Canyon Oil and Gas Plant in violation of District Rules 311, 325, 325.D.1(b), 325.E.1(b), 325.F.4(b), 328, 328.F.2, 328.G.3, 331, 331.F, 342.I.1, 359, 359.F.2, 359.G.1, 359.H.2, 359.H.3, and 206, Conditions 9.B.12, 9.C.1(b)(xi), 9.C.1(c), 9.C.1(c)(i), 9.C.1(c)(ii), 9.C.1(d), 9.C.2(c)(iii), 9.C.2(c)(iv), 9.C.2(c)(v), 9.C.2(d), 9.C.2(d)(i), 9.C.2(d)(ii), 9.C.2(d)(iii), 9.C.3(b)(i), 9.C.3(c)(i), 9.C.3(c)(ii), 9.C.3(c)(iii), 9.C.5(b)(iv), 9.C.5(b)(v), 9.C.5(c), 9.C.6(b), 9.C.6(b)(i), 9.C.6(c)(iii), 9.C.6(c)(iv), 9.C.6(c)(vi), 9.C.6(c)(vii), 9.C.6(c)(viii), 9.C.6(d)(vi), 9.C.6(d)(vii), 9.C.6(d)(viii), 9.C.8(a)(i), 9.C.8(c), 9.C.8(c)(i), 9.C.8(c)(ii), 9.C.8(c)(iii), 9.C.8(d), 9.C.8(d)(i), 9.C.8(d)(ii), 9.C.8(d)(iii), 9.C.8(d)(iv), 9.C.8(d)(v), 9.C.10(a), 9.C.10(b), 9.C.10(d), 9.C.10(e), 9.C.10(h), 9.C.10(j), 9.C.10(k), 9.C.10(m)(iii), 9.C.10(m)(v), 9.C.10(m)(vi), 9.C.10(m)(xi), 9.C.10(m)(xii), 9.C.13(a), 9.C.13(b), 9.C.13(c), 9.C.13(c)(i), 9.C.13(c)(ii), 9.C.14, 9.C.15, 9.C.15(a), 9.C.16, 9.C.17, 9.C.21, 9.C.25(a), 9.C.36(c), 9.C.36(i), 9.C.36(l), 9.C.36(o), and 9.C.43(b) of Part 70/Permit to Operate 5651 from September 30, 2017 through September 29, 2019, or the date the facility resumes processing platform gas, whichever occurs first, with the following conditions:

1. Petitioner shall submit increments of progress to the Hearing Board and District on the first day of every calendar quarter after the effective date of the Regular Variance beginning January 01, 2018. The increments of progress report shall include: status of compliance, any corrective action taken to date, and the dates, times, volumes and actual emissions, if any, that occurred during the variance.
2. Petitioner shall submit a final report to the Hearing Board and District within thirty (30) days of the facility returning to compliance. The report shall include the date compliance was achieved together with the corrective actions taken and the dates, times, volumes and actual emissions, if any, that occurred during the variance period. If corrective action would be subject to District permits, then permits must be obtained prior to initiating corrective action.

3. Petitioner shall retain the obligation to comply with all other local, state and federal regulations not specifically referenced in the Order.
4. Failure to abide by all conditions of this Order shall subject the Petitioner receiving the variance to penalties set forth in Health and Safety Code section 42402.
5. Each day during any portion of which a violation occurs is a separate offense.

DATED: _____

AYES:

NOES:

ABSENT:

ABSTAIN:

Chair
Santa Barbara County Air Pollution Control District
Hearing Board